



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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801-359-3940 (Fax)  
801-538-7223 (TDD)

October 13, 1999

Jack Day  
Day Mining Company  
8530 West Sahara Ave., Suite 160  
Las Vegas, Nevada 89117

Re: Permit Fee Due, Notice of Intention to Commence Small Mining Operations, Jack Day & Darrell Maxwell, Lucky 7 Mine, S/019/049, Grand County, Utah

Dear Mr. Day:

Thank you for your Notice of Intention to Commence Small Mining Operations, received by the Division on September 29, 1999. The application is for the proposed Lucky 7 small mine project located on State lands in the E ½ of Section 32, T18S, R25E, SLBM, Grand County, Utah. Your notice form incorrectly listed the range as R24E. This letter is to notify you that the your notice has satisfied the information requirements for the Division's small mine operations, however, payment of the appropriate permit fee is required before you may begin operations.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(i)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. **Small Mining Notices require a \$100.00 fee which must be received prior to initiating any mining activities. You are required to submit the permit fee to the Division before this notice can be considered in effect. Please pay this fee using the enclosed billing statement.**

The Division has forwarded a copy of your notice to the School and Institutional Trust Lands Administration (SITLA) for their review. **Approval of mineral exploration or mining operations by the Division of Oil, Gas and Mining does not constitute approval to commence operations upon lands under state mineral leases/school sections administered by the SITLA.** Before conducting mining operations on these lands, the operator must provide written notification, meet bonding requirements, and obtain written approval from the appropriate agency. SITLA can be reached at: 675 East 500 South, Salt Lake City, Utah 84102; phone number (801) 538-5100.

For your reference, please find enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very

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rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements. Since your notice did not include any variance requests you are expected to comply with all of the applicable operation and reclamation practices.

If you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

A Memorandum of Understanding between this Division and the State Department of Environmental Quality (DEQ) requires us to notify them upon receipt of a mining application. If you haven't already done so, you are advised to contact their office prior to starting your small mining operation to determine whether additional permits and/or approvals are required. We have sent a copy of your notice to the DEQ for their review. Their address and phone number is: Department of Environmental Quality, 288 North 1460 West, Salt Lake City, Utah, 84116, (801) 538-6146.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,



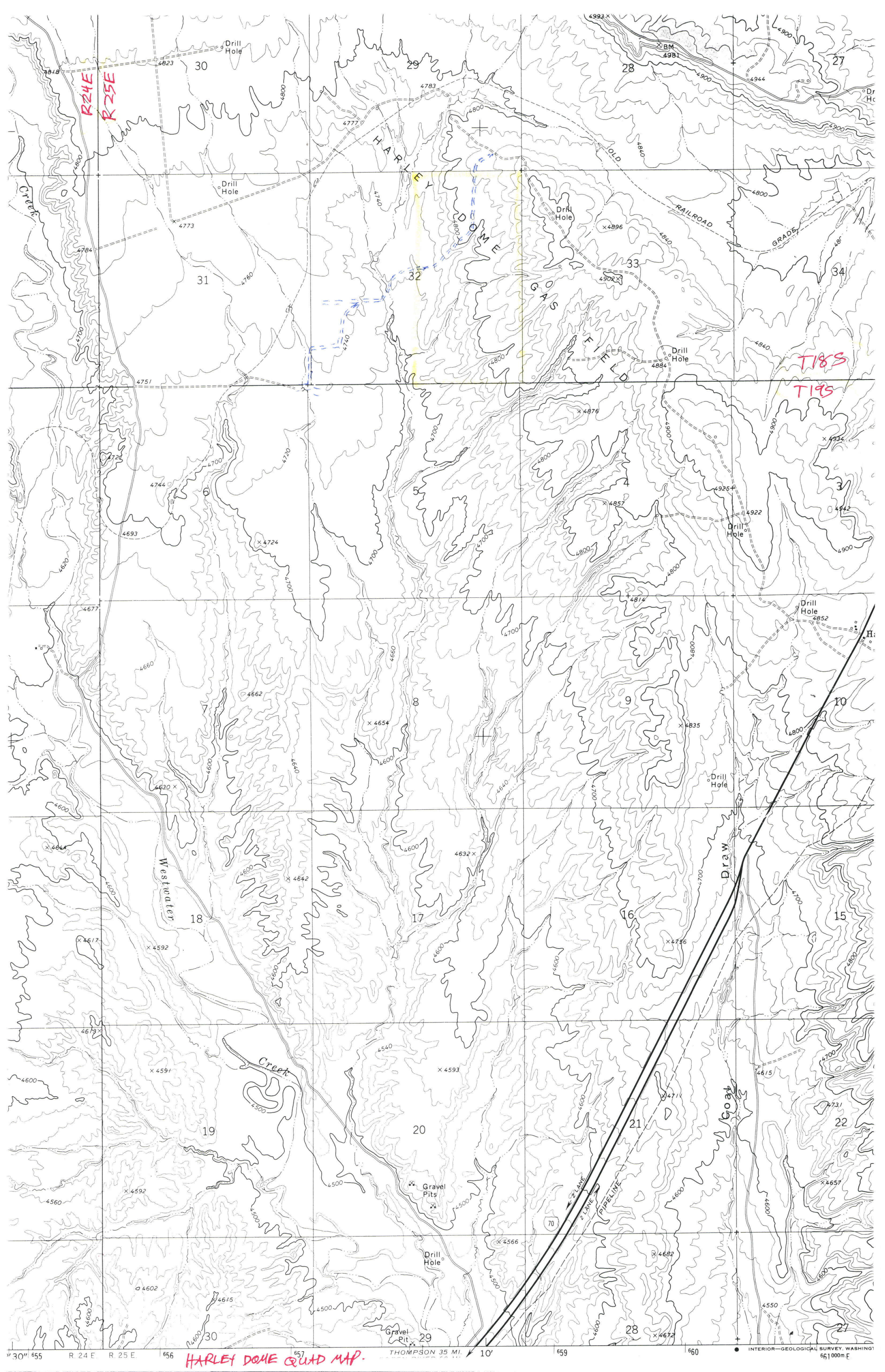
Anthony A. Gallegos  
Senior Reclamation Specialist

jb

Enclosure: summary of operation and reclamation practices, billing statement

cc: John Blake, SITLA  
Roger L. Bon, UGS  
Tracking File

o:\s19-49.noi



HARLET DOME QUAD MAP.

THOMPSON 35 MI.

INTERIOR-GEOLOGICAL SURVEY, WASHINGTON  
661 000m E

JACK DAY & DARREL MAXWELL  
LUCKY 7 (HUNTERS)  
STATE LEASE  
E 1/2 SEC 32 T18S R25E  
5/019/049

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